



**Policy Title: Baylor Retirement Plan**

**Policy Number: BU-PP 461**

**Date Issued: Updated March 14, 2016**

**Responsible Executive: Vice President & Chief  
Human Resources Officer**

**Date Last Revised: August 3, 2023**

**Responsible Office: Human Resources**

## **Baylor Retirement Plan BU-PP 461**

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### **Policy Statement**

Baylor University provides eligible employees a retirement plan benefit to assist in planning for retirement needs. The Baylor Retirement Plan (the “Plan”) is a 403(b) plan. All aspects of the Plan are governed by the terms set forth in the Baylor Retirement Plan. In the event of conflict between this Policy and the Plan documents, the Plan documents control.

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### **Reason for the Policy**

The purpose of this policy is to provide details regarding the Baylor Retirement Plan.

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### **Individuals/Entities Affected by this Policy**

Active and former faculty and staff

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### **Exclusions**

See Eligibility section below for details on who is covered by the Baylor Retirement Plan

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### **Related Documents and Forms**

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#### **University Policies and Documents**

- [Baylor Retirement Plan Summary of Plan Provisions](#)
- [Baylor Retirement Plan Salary Reduction Agreement](#)

1. Baylor Retirement Plan (BU-PP 461)

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## Contacts

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Subject	Contact	Telephone	Office email/web site
Policy Questions	Human Resources	254-710-2000	<a href="mailto:askHR@baylor.edu">askHR@baylor.edu</a> <a href="http://www.baylor.edu/hr">www.baylor.edu/hr</a>
TIAA Account Questions	TIAA	800-842-2252	<a href="http://www.tiaa.org/baylor">www.tiaa.org/baylor</a>
Investment Advice	CAPTRUST	800-967-9948	<a href="http://www.captrustadvice.com">www.captrustadvice.com</a>

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## Responsibilities

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<b>Employee</b>	Establish accounts at TIAA to accept employee and employer contributions. Make a pre-tax or roth elections to direct Baylor to direct a portion of their gross salary into the Baylor Retirement Plan
<b>Payroll Office</b>	Calculate employee and employer contribution and apply to employee pay
<b>University Administration</b>	At its discretion, determine employer contribution

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## Eligibility

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A. Employee Contribution: Each employee, except students, shall become a participant in the Baylor Retirement Plan (BRP) immediately upon his/her employment date for purposes of making the following types of contributions:

- Pre-Tax Deferred Contributions;
- Tax-Paid (Roth) Contributions;
- Rollover Contributions;
- Roth Elective Deferrals;
- Roth Rollover Contributions; and
- Roth Transfer Contributions

B. University Contribution: Each employee, other than a member of a class identified below, shall become a participant ("Participant") in the Plan for purposes of being credited with University Contributions immediately after satisfying the following eligibility requirements:

- Attainment of 21 years of age; and
- Completion of One Year of Eligibility Service ("Service") at an accredited college or university, or completion of a 12-month period during which the employee completes 1,000 hours of Service (or the equivalent of 1,000 hours for monthly-paid employees). The first 12-month period is the first year of employment. Subsequent 12-month periods are calendar years beginning with the first full calendar year after the date of hire. Eligibility Service shall also include periods

of employment in the United States Military while serving as faculty of record in a program sponsored by Baylor University.

Except as otherwise required by law, the following classes of employees are not eligible to participate in the Plan for purposes of receiving University Contributions:

- All Student workers (including graduate students);
- Event workers (e.g., camp workers, concession workers, and any other individual classified as an event worker by the University);
- Employees whose employment contract provides the employee shall not receive University Contributions;
- Employees of Brazos Valley Public Broadcasting Foundation; and
- Post-Doctoral Fellows hired or rehired after September 30, 2019, and Post-Doctoral Research Associates hired or rehired after September 30, 2019

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## **Plan Recordkeeper**

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The recordkeeper for the Baylor Retirement Plan is TIAA. Plan Participants can, at any time, direct their Plan contributions to be invested in any of the available investment options offered by the Plan.

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## **Enrollment**

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Upon attaining the eligibility requirements to participate in the Plan, the eligible employee will be notified of their eligibility date and provided instructions on how to enroll in the Plan.

To enroll for Employee Contributions, the eligible employee will complete the Salary Reduction Agreement and establish their account with TIAA at [www.tiaa.org/baylor](http://www.tiaa.org/baylor).

To enroll for University Contributions, the eligible employee will establish their account with TIAA at [www.tiaa.org/baylor](http://www.tiaa.org/baylor).

If the eligible employee fails to open their account with TIAA, they will be administratively enrolled by Baylor University and their contributions will be placed in the default investment for the Plan.

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## **Plan Compensation**

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### **1. All Contributions**

**Definition of compensation.** Compensation is defined as the employee's total compensation that is subject to income tax withholding and paid to the employee by the University for the Plan Year, except as otherwise identified below or in the Plan documents.

3. Baylor Retirement Plan (BU-PP 461)

**Adjustments to compensation.** Regardless of the definition of Compensation, the following adjustments will be made:

- Elective deferrals to the Plan and to any other plan or arrangement (such as a cafeteria plan) will be included.

## 2. Elective Deferrals

**Adjustments to Compensation.** In addition to adjustments to compensation under "All Contributions" above, the following adjustments to Compensation will be made for purposes of elective deferrals:

- Compensation paid after employment terminates is generally excluded for Plan purposes. However, the following amounts will be included in Compensation even though they are paid after employment terminates, provided these amounts would otherwise have been considered Compensation as described above and provided they are paid within 2 1/2 months after employment terminates, or if later, the last day of the Plan Year in which employment terminates:
  - Compensation paid for services performed during the employee's regular working hours, or for services outside the employee's regular working hours (such as overtime or shift differential), or other similar payments that would have been made to the employee had he / she continued employment.
  - Compensation paid for unused accrued vacation leave, if such amounts would have been included in Compensation if paid prior to termination of employment and the employee would have been able to use the leave if employment had continued.

## 3. University Contributions

**Adjustments to Compensation.** In addition to adjustments to Compensation under "All Contributions" above, the following adjustments to Compensation will be made for purposes of nonelective contributions:

- Compensation paid while not a Participant in this component of the Plan will be excluded;
- Code Section 107 housing allowances will be included;
- Amounts paid to a Participant under an employment contract or other written agreement with the University will be excluded from Compensation if specified in such agreement;
- Relocation expenses paid or reimbursed by the University will be excluded;
- Compensation paid after employment terminates is generally excluded for Plan purposes. However, the following amounts will be included in Compensation

even though they are paid after employment terminates, provided these amounts would otherwise have been considered Compensation as described above and provided they are paid within 2 1/2 months after employment terminates, or if later, the last day of the Plan Year in which employment terminates:

- Compensation paid for services performed during the employee's regular working hours, or for services outside the employee's regular working hours (such as overtime or shift differential), or other similar payments that would have been made to the employee had he / she continued employment.
- Compensation paid for unused accrued vacation leave, if such amounts would have been included in Compensation if paid prior to termination of employment and the employee would have been able to use the leave if employment had continued.
- Compensation excludes amounts paid in connection with a Participant's severance from employment under a separation agreement, settlement agreement, or similar written agreement with the University; and amounts paid as liquidated damages under a written agreement with the University.

#### **4. Compensation Limit**

The Plan, by law, cannot recognize annual compensation in excess of a certain dollar limit. The limit for the Plan Year beginning in 2021 is \$290,000. After 2021, the dollar limit might increase for cost-of-living adjustments.

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### **Plan Contributions**

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#### **Elective Deferrals**

Employees may voluntarily direct a portion of their Compensation, as defined above, to their individual 403(b) retirement account. Voluntary pre-tax and Roth contributions, rollover contributions, and transfer contributions will be directed to their individual retirement account with TIAA. Voluntary pre-tax and Roth contributions will be subject to the maximum allowable limitations of sections 403(b), 415, and 402(g) of the Internal Revenue Code (IRC).

#### **University Contributions**

University Contributions are determined and made at the sole discretion of Baylor University and are subject to change in the sole discretion of Baylor without advance notice. University Contributions are allocated to eligible Participants based on Compensation, as defined above. University Contributions are designed to be tax-deferred under Section 403(b) of the Internal Revenue Code (IRC).

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## **Vesting**

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A Participant shall at all times be fully vested in each of the Participant's Contributions Accounts.

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## **Use of Funds**

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- A. Generally, the funds within the Participant's University Contribution account(s) may not be withdrawn but must remain within the University Contribution account(s) until termination, disability, retirement, or death of the employee.
- B. In-Service Withdrawals from a participant's voluntary pre-tax contributions, rollover contributions, and transfer contributions accounts, Roth elective deferrals, Roth rollover contributions, and Roth transfer contributions account, or tax-paid contributions account are subject to the terms and conditions permitted by the BRP.

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## **Availability of Loans**

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Loans shall be permitted under the terms of the Plan, which allows Participants to borrow a portion of their vested account balance.

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## **Separation from Service**

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Upon separation from Service, the employee Participant may elect to retain his / her funds in the Plan **or** may close the account(s) **or** partially withdraw funds and receive his / her contributions from the Plan and any earnings thereto. The IRS may impose a penalty for withdrawal prior to age 59 ½. Upon withdrawal, taxable funds may be subject to income taxes unless directly exchanged to another qualified tax deferred account.

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## **Disability**

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In the case of disability, the employee Participant will be eligible for a benefit (based on all Participant's University Contributions and all of the employee's contributions plus any earnings) as provided by the agreement with the vendor and defined in the Plan.